

FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

JAN 31 2003

OFFICE OF
MANAGING DIRECTOR

Stephen R. Bell, Esq.
Sophie Keefer, Esq.
Willkie Farr & Gallagher
1875 K Street, N.W.
Washington, DC 20006-1238

RE: 360atlantic (USA) inc., Request for Waiver and
Deferral of Regulatory Fees
Fee Control Number 00000 RROG 02 110

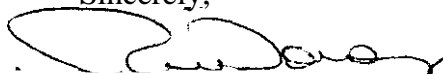
Dear Counsel:

We reviewed your September 24, 2002 request that we waive and defer payment of the Fiscal Year (FY) 2002 regulatory fees¹ related to 360atlantic (USA) inc. (360atlantic). For the reasons set out below, we grant your request and will waive the aggregate fees of \$7,560.

Based on proof of bankruptcy pursuant to Chapter 11 of ~~the~~ Federal Bankruptcy Code of the United States: we ~~find~~ that you established good cause for waiver ~~of~~ the FY 2002 regulatory fees. *Implementation of Section 9 of the Communications Act Assessment and Collection of Regulatory Fees for the 1994 Fiscal Year*, Memorandum Opinion and Order, 10 PCC Rcd 12759, 12761-62, ¶¶ 13-14 (1995).

If you have any questions Concerning this letter, you may call the Revenue and Receivables Operations Group at (202) 418-1995.

Sincerely,



Mark A. Reger
Chief Financial Officer

¹ By this letter, we **are** also granting **your** request that we defer the requirement **to** submit the fees until a decision is rendered on the request for the waiver.

² We note that **you** submitted evidence of the proceedings *In re Companies' Creditors Arrangement Act, et al.*, in the Supreme Court of British Columbia, (No. LOI 172, Vancouver ~~Registry~~), but you did not submit evidence of the relevant proceedings filed in the United States, *i.e., In re 360networks (USA) inc., et al.* (US Bkcy Ct, SD NY), Case No. 01-13721 (ALG). Even **so, we** were able **to** confirm the proceedings and that the entities were still under bankruptcy protection on the date the fees were due. Concerning a request such **as this**, applicants are responsible for demonstrating **good** cause for **the** relief requested, which includes providing, with the request for waiver and deferral, adequate proof of proceedings in bankruptcy. *Implementation of Section 9 of the Communications Act Assessment and Collection of Regulatory Fees for the 1994 Fiscal Year*, Memorandum Opinion and Order, 10 FCC Rcd 12759, 12761-62, ¶¶ 13-14 (1995).

WILLKIE FARR & GALLAGHER

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ACCOUNT PROCESSING
GROUP-DPT/PTM

1875 K Street, N.W.
Washington, DC 20006-1238
Tel: 202 303 1000
Fax: 202 303 2000

RECEIVED

September 24, 2002

SEP 24 2002

VIA HAND DELIVERY

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Office of the Managing Director
Federal Communications Commission
445 12th Street, S.W., Room 1-A625
Washington, D.C. 20554
attn: Regulatory Fee Waiver/Deferment Request

Re: Request for Waiver of Regulatory Fees and to Defer Payment

Dear Sir/Madam:

On behalf of 360atlantic (USA) inc. ("360atlantic") and pursuant to **Sections** 1.1159 and 1.1166 of the rules of the Federal Communications Commission, 47 C.F.R. §§ 1.1159 & 1.1166, **this** is to request a waiver and deferment of payment of the 2002 regulatory fees for 360atlantic. As a private submarine cable operator and holder of the cable landing license authorization for the 360atlantic cable network, 360atlantic is required to pay annual regulatory fees for certain international bearer circuits sold on **an** indefeasible right **of** use basis or leased to a customer. 360atlantic would be **required** to pay such fees in **the** amount **of** \$7,560.00.

On June 28, 2001, 360networks inc. ("360networks"), the ultimate corporate parent of 360atlantic, along with certain of its subsidiaries, filed for protection from creditors **under** the Companies' Creditors Arrangement Act ("CCAA") in the Supreme Court of British Columbia, Canada ("CCAA Proceedings"). On the same day, 23 of 360networks' U.S. subsidiaries filed for protection under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York ("U.S. Proceedings"). On October 19, 2001, 360atlantic **was** added as a petitioner to the CCAA Proceedings in Canada. On July 18, 2002, a plan of arrangement and compromise was filed in the CCAA Proceeding. At the same time, a joint plan of reorganization and

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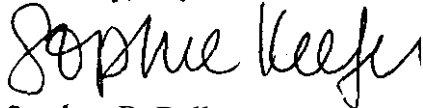
Attached hereto as Exhibit A is the October 19, 2001, order adding 360atlantic (**USA**) inc. and other companies in the 360atlantic group to the CCAA Proceedings. Attached as Exhibits B through E are additional orders relating to 360atlantic's status **as** a petitioner in the CCAA Proceedings.

an accompanying disclosure statement was filed in the U.S. Proceedings. However, 360atlantic was not included in the plan of arrangement and compromise filed in the CCAA proceeding and remains subject to the jurisdiction of the court. 360atlantic is negotiating to sell its undersea cable assets, including the transfer or assignment of its cable landing license, to a third party.

It is the stated policy of the Commission to waive ~~annual~~ regulatory fees for companies that are undergoing chapter 11 reorganizations. In re Implementation of Section 9 of the Communications Act, 10 FCC Rcd. 12759, ¶ 14 (1995). The Commission has recognized that “[e]vidence of bankruptcy or receivership is sufficient to establish financial hardship. Moreover, where a bankruptcy trustee, receiver, or debtor in possession is negotiating a possible transfer of a license, the regulatory fee could act as an impediment to the negotiations and the transfer of the station to a new licensee.” Id. Waiver of the regulatory fees would promote the public interest by allowing 360atlantic to conserve its limited financial resources and continue to provide service to its existing customers for undersea cable capacity and negotiate the possible sale of the cable to a third party. This waiver request does not include the fees or forms which 360atlantic would otherwise be required to submit, as 360atlantic requests to defer payment due to financial hardship, supported by the documentation contained in Exhibit A.

Should you have any questions, please do not hesitate to contact the undersigned at (202) 303-1000.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen R. Bell".

Stephen R. Bell
Sophie Keefer
Counsel to 360atlantic (USA) inc.